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Attorneys for

Lloyd's Register Quality Assurance, Inc.

UNITED STATES BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

-and-

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

) Case No. 19-30088 (DM)

)

) Chapter 11

) (Lead Case) (Jointly Administered)

)

) **LLOYD'S REGISTER QUALITY
ASSURANCE, INC.'S RESPONSE**

) **TO REORGANIZED DEBTORS'**

) **TWENTY-EIGHTH OMNIBUS**

) **OBJECTION TO CLAIMS (BOOKS AND
RECORD CLAIMS)**

)

) **Hearing Information:**

) Date: December 15, 2020

) Time: 10:00 a.m. (Pacific Time)

) Place: (Telephonic Appearances Only)

) United States Bankruptcy Court

) Courtroom 17, 16th Floor

) San Francisco, CA 94102

)

) **Related to Docket No. 9427**

☐ Affects PG&E Corporation

☐ Affects Pacific Gas and Electric Company

☐ Affects both Debtors

** All papers shall be filed in the Lead Case, No.
19-30088 (DM).*

1
2 TO THE HONORABLE DENNIS MONTALI,
3 UNITED STATES BANKRUPTCY JUDGE,

4 Lloyd's Register Quality Assurance, Inc. ("**Lloyd's Register**") hereby files its Response to
5 Reorganized Debtors' Twenty-Eighth Omnibus Objection to Claims (Books and Records Claims)
6 (the "**28th Omnibus**") [Docket No. 9427] filed by PG&E Corporation ("**PG&E Corp.**") and Pacific
7 Gas and Electric Company ("**Pacific Gas**"), as debtors and reorganized debtors (collectively, the
8 "**Debtors**" or the "**Reorganized Debtors**") and in support thereof, respectfully states as follows:
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10
11 **BACKGROUND**

12 1. On January 29, 2019 (the "**Petition Date**"), each of the Debtors filed their voluntary
13 petition for relief under Chapter 11 of the Bankruptcy Code.

14 2. On September 23, 2019, Lloyd's Register timely filed its proof of claim at claim
15 number 9488 (the "**Proof of Claim**"), a copy of which is attached hereto as **Exhibit A**.¹ The Proof
16 of Claim asserts a general unsecured claim against Pacific Gas in the total amount of \$153,398.60
17 for services provided pre-petition to the Debtor related to PASS55 and ISO certifications and
18 assessments. The Proof of Claim is supported by seven (7) invoices, which detail the services
19 provided and their related costs. [See Exhibit A-2 through A-8].
20

21 3. On July 1, 2020, the Bankruptcy Court entered the *Order Approving (A) Procedures*
22 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
23 *Objections, dated June 30, 2020* [Docket No. 8228] (the "**Omnibus Objections Procedures**
24 **Order**").
25

26 4. On or about July 23, 2020, Lloyd's Register received a check from the Debtor in the
27 amount of \$1,427.85 purportedly related to a cure amount. Other than that payment, Lloyd's
28

¹ The Proof of Claim is incorporated by reference.

1 Register has not received any post-petition payments related to the Proof of Claim or any of the
2 invoices. The \$151,970.75 (\$153,398.60 minus \$1,427.85) remains due and owing.

3 5. On November 5, 2020, the Reorganized Debtors filed the 28th Objection. In the 28th
4 Objection, the Reorganized Debtors request that the Court reduce the Proof of Claim from
5 \$153,398.60 to \$104,979.91. The Reorganized Debtors assert that the basis for their objection is
6 that the amount asserted in the Proof of Claim is higher than are reflected in the Reorganized
7 Debtors' books and records. The 28th Objection does not indicate which of the invoices attached to
8 the Proof of Claim, if any, are in dispute.

10 **RESPONSE**

11 6. Other than that payment of \$1,427.85, all seven invoices attached to the Proof of
12 Claim remain due and owing.

13 7. The Reorganized Debtors have not met their burden of proof and their objection
14 should be overruled. Rule 3001(f) of the Federal Rules of Bankruptcy Procedure provides that "[a]
15 proof of claim executed and filed in accordance with these rules shall constitute prima facie
16 evidence of the validity and amount of the claim." FED. R. BANKR. P. 3001(f). Accordingly, "a
17 proof of claim that alleges sufficient facts to support liability satisfies the claimant's initial
18 obligation to proceed, after which the burden shifts to the objector to produce sufficient evidence to
19 negate the prima facie validity." *Lampe v. Payne (In re Lampe)*, 665 F.3d 506, 514 (3d Cir. 2011).
20 As the objecting party, the Reorganized Debtors have the burden of overcoming the prima facie
21 presumption. *See VFB LLC v. Campbell Soup Co.*, 482 F.3d 624, 636 (3d Cir. 2007) ("A creditor's
22 prima facie valid claim shifts the burden to the debtor to produce evidence equal in force to the
23 prima facie case.").

24 8. The Omnibus Objections Procedures Order requires that an omnibus claim objection
25 be accompanied by an affidavit or declaration that supports the omnibus objection. [Docket No.
26 8228 ¶ 2.D.]. The conclusory statements in the 28th Objection and the McWilliams Declaration,
27
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1 filed at Docket Number 9428, are insufficient to overcome the prima facie validity of Lloyd's
2 Register's Proof of Claim. Further, the 28th Objection does not provide reasonable notice to
3 Lloyd's Register regarding the legal and factual basis of the Reorganized Debtors' objection. The
4 legal and factual basis for a claim objection must be clear and supported by someone with personal
5 knowledge.
6

7 Based on the foregoing, Lloyd's Register Quality Assurance, Inc. respectfully requests that
8 the Reorganized Debtors' 28th Objection be overruled and that the Court grant Lloyd's Register
9 Quality Assurance, Inc. such other and further relief as the Court deems just and proper.

10 Respectfully submitted,

11 /s/ Kinga L. Wright

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/s/ Kinga L. Wright
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